

Message Text

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ACTION AID-59

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E.O. 11652: N/A
TAGS: EAID BG
SUBJECT: MEETING OF BANGLADESH AID DONORS, MARCH 21, 1978

1. SUMMARY: A MEETING OF THE BANGLADESH DONORS CONSULTATION GROUP WAS CALLED BY THE WORLD BANK IN DACCA ON MARCH 21, 1978, TO INTRODUCE THE BANK'S VICE PRESIDENT FOR THE SOUTH ASIA REGION W. DAVID HOPPER AND OTHER VISITING BANK OFFICIALS AND TO DISCUSS CURRENT AID PROBLEMS. DCM AND USAID REPRESENTED U.S. MISSION. BDG WAS REPRESENTED

BY PLANNING SECRETARY A.M.A. MUHITH. REMARKS BY HOPPER AND DONOR REPRESENTATIVES STRESSED THE NEED FOR: MORE RAPID DEVELOPMENT IMPLEMENTATION; IMPROVED FOODGRAIN FORECASTS; GREATER PROGRESS TOWARD REDUCING THE RATION SYSTEM; ATTENTION TO EXCESSIVE MIGRATION OF SKILLED MANPOWER WHICH IS AFFECTING DEVELOPMENT AND AID PROJECTS; AND INCREASED COMMUNICATION AND COORDINATION AMONG THE BDG AND DONORS, INCLUDING OPEC NATIONS. END SUMMARY.

2. IN OPENING REMARKS, HOPPER OBSERVED THAT THE ECONOMIC SITUATION IN BANGLADESH REMAINS UNSATISFACTORY,
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SUMMING UP MAJOR PROBLEMS AS "TOO LITTLE FOOD AND TOO LITTLE EMPLOYMENT". ALTHOUGH THE POTENTIAL FOR DEVELOPMENT IS GREAT AND PROGRESS HAS BEEN MADE, MORE RAPID LOCAL RESOURCE MOBILIZATION AND DEVELOPMENT IMPLEMENTATION ARE NEEDED. THE BANK'S ANNUAL REPORT WILL EMPHASIZE THE NEED FOR IMPROVED ADMINISTRATION OF COMMODITY AND PROGRAM AID AND INCREASED REQUIREMENTS FOR LOAL

COST FINANCING RESULTING FROM STEPPED-UP DISBURSEMENT OF PROJECT AID. TURNING TO FOOD POLICY, HOPPER NOTED CONTRAST BETWEEN ESTIMATES OF DONORS WHICH REFLECT ADEQUATE SUPPLIES AND BLEAK ESTIMATES OF GOVERNMENT; HE SAID HE HAD ASKED THE BDG FOR A COMPLETE REVIEW OF FY 1979 FOODGRAIN SITUATION. HE EXPRESSED DISAPPOINTMENT WITH BDG'S REVERSAL ON RATION REFORMS PROMISED AT THE JANUARY 19 MEETING AND CALLED FOR A PHASED CUTBACK IN THE RATION SYSTEM TO RELIEVE THE ECONOMY OF THIS BURDEN AND GIVE A LARGER ROLE TO THE PRIVATE TRADE. HE SAID RATION REFORM WILL BE AN "EXCEEDINGLY IMPORTANT" ITEM ON THE AGENDA OF THE JUNE BANGLADESH CONSORTIUM MEETING. HOPPER SAID HE HAD MADE THESE COMMENTS TO PLANNING ADVISER HUDA.

3. IN RESPONSE TO A REQUEST FOR COMMENTS FROM DONOR REPRESENTATIVES, USAID DIRECTOR TONER MENTIONED THAT THE GROWING EXODUS OF SKILLED BANGLADESHIS TO THE MIDDLE EAST HAS CAUSED USAID AND OTHER DONORS PROBLEMS IN IMPLEMENTING PROGRAMS. PLANNING SECRETARY MUHITH ACKNOWLEDGED THE PROBLEM AND SAID THAT BDG'S APPROACH WAS NOT TO CURTAIL MIGRATION BUT TO AUGMENT TRAINING. WORLD BANK REPRESENTATIVE REPORTED THAT A BANK MISSION WILL ARRIVE IN BANGLADESH NEXT MONTH TO ESTABLISH A BDG RESEARCH CAPABILITY TO EXAMINE THE FUTURE DEMAND FOR MANPOWER AND NEED FOR TRAINING HERE. THE LIMITED OFFICIAL USE

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BANK WILL ALSO STUDY MANPOWER NEEDS IN IMPORTING COUNTRIES AND EVENTUALLY MAKE RECOMMENDATIONS. UNDP RESIDENT REPRESENTATIVE ZAGORIN OBSERVED THAT MANPOWER TRAINING IN BANGLADESH IS BEING CRIPPLED BY EXODUS OF TRAINERS.

4. THE REPRESENTATIVE OF THE NETHERLANDS URGED GREATER LOCAL COORDINATION OR INSTITUTIONALIZED CONSULTATIONS AMONG DONORS HERE AND IN DONOR CAPITALS. HOPPER AGREED AND SAID HARMONIZATION MUST BEGIN AT THE DACCA LEVEL TO REFLECT REALITIES OF THE SITUATION NOT PRESENT IN DONOR CAPITALS. UNDP RESIDENT REPRESENTATIVE SUGGESTED ANY INSTITUTIONALIZATION OF DONOR COORDINATION SHOULD TAKE PLACE ONLY AS REQUESTED BY THE BDG. DACCA WORLD BANK REPRESENTATIVE STORRAR SAID HE HOPED TO INCREASE THE FLOW OF INFORMATION FROM THE BANK TO DONOR REPRESENTATIVES IN DACCA. TONER ALSO URGED MORE COMPLETE CONSULTATIONS AMONG DONORS AND BDG; FOR EXAMPLE ON SECTORAL PROBLEMS SUCH AS FERTILIZER.

5. CANADIAN HIGH COMMISSIONER EXPRESSED CONCERN WITH THE LACK OF INFORMATION ABOUT AID FROM OPEC DONORS,

WHO DO NOT PARTICIPATE IN THE CONSORTIUM. HE NOTED THAT THE AID GROUP ONLY LEARNED ABOUT OPEC COMMITMENTS AFTER THE FACT. HOPPER AND OTHER BANK REPRESENTATIVES SAID FREQUENT EFFORTS HAVE BEEN MADE TO INCLUDE OPEC NATIONS IN DONOR MEETINGS, FORMALLY AND INFORMALLY, BUT OPEC GOVERNMENTS ARE NOT YET READY TO PUT THEIR AID IN A MULTILATERAL CONTEXT.

6. DURING INFORMAL LUNCH FOLLOWING BANK MEETING, HOPPER TOLD TONER HE HAD MET WITH PLANNING ADVISER DR. HUDA ON BDG REVERSAL OF PROMISED RATION REFORMS. HE INDICATED HUDA EXPLANATION NOT VERY PERSUASIVE AND THAT HE INTENDED TO REOPEN THE ISSUE WITH THE BDG AGAIN BEFORE LEAVING DACCA THIS WEEKEND.

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